



WISCONSIN LEGISLATURE

December 7, 2016

Senator Albert Darling, Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison WI 53707-7882

Representative John Nygren, Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison WI 53703

Dear Senator Darling and Representative Nygren,

The Governor and Legislature will soon begin work on what will be a very difficult state budget. Our community schools, local and state roads, healthcare for our friends and neighbors, higher education, economic development and other vital programs will all be competing for state dollars at a time when revenues have been coming in lower than projected. Tough choices will have to be made.

We write to you today to offer a suggestion that would save the state hundreds of millions of dollars over the next two years. According to the Legislative Fiscal Bureau, suspending the Manufacturing and Agriculture Tax Credit for the 2017 and 2018 tax years would result in approximately \$600 million in increased revenue. This tax credit, which was slipped into the 2011-2013 state budget at the last minute, with no public input, was touted as a job creation tool, but the results have shown that it just isn't working. Instead, it has served as a giveaway to the mega-wealthy in our state. According to a recent fiscal bureau analysis, 0.3% of income tax filers will qualify for the credit in 2017; the same analysis showed that eleven people, all with annual incomes of \$35 million or more, will split \$21.5 million, averaging \$1.96 million each. At the same time, the analysis cast doubt on job creation claims related to the tax credit. In the three years before the credit took effect, Wisconsin added 31,431 manufacturing jobs; in the three years after, just 10,904. That's 20,527 fewer jobs, and the three years before the credit encompassed the Great Recession and its aftermath.

It's clear that the Manufacturing and Agriculture Tax Credit has not created the jobs that we were promised while causing a huge hole in our state budget. We could take a huge step toward repairing our budget issues by suspending the credit for the 2017 and 2018 tax years. We ask that you give this serious consideration as you begin the budget process.

Sincerely,

Robert Wirsch
State Senator
22nd District



WISCONSIN LEGISLATURE

December 7, 2016

Governor Scott Walker
115 East, State Capitol
Madison WI 53702

Dear Governor Walker,

You will soon begin working with the Legislature on what will be a very difficult state budget. Our community schools, local and state roads, healthcare for our friends and neighbors, higher education, economic development and other vital programs will all be competing for state dollars at a time when revenues have been coming in lower than projected. Tough choices will have to be made.

We write to you today to offer a suggestion that would save the state hundreds of millions of dollars over the next two years. According to the Legislative Fiscal Bureau, suspending the Manufacturing and Agriculture Tax Credit for the 2017 and 2018 tax years would result in approximately \$600 million in increased revenue. This tax credit, which was slipped into the 2011-2013 state budget at the last minute, with no public input, was touted as a job creation tool, but the results have shown that it just isn't working. Instead, it has served as a giveaway to the mega-wealthy in our state. According to a recent fiscal bureau analysis, 0.3% of income tax filers will qualify for the credit in 2017; the same analysis showed that eleven people, all with annual incomes of \$35 million or more, will split \$21.5 million, averaging \$1.96 million each. At the same time, the analysis cast doubt on job creation claims related to the tax credit. In the three years before the credit took effect, Wisconsin added 31,431 manufacturing jobs; in the three years after, just 10,904. That's 20,527 fewer jobs, and the three years before the credit encompassed the Great Recession and its aftermath.

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Robert Wirch
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